Orissa Demands for More royalty on Coal

1451. SHRI RAMACHANDRA KHUNTIA: Will the Minister of MINES AND MINERALS be pleased to state: whether Government are considering the demand of Orissa State to enhance the royalty on Coal?

THE MINISTER OF STATE IN THE MINISTRY OF MINES AND MINERALS DR. (SHRIMATI): RITA VERMA: The entire issue of revision of coal royalty rates was examined recently in the Department of Coal and a decision taken not to increase the coal royalty rates on following grounds:—

(i) On an average the coal companies receive only about 40-45% of the landed price of coal. As a consequence Indian coal is getting outpriced in several locations *vis-a-vis* imported coal.

(ii) The State electricity Boards are struggling hard to make both the ends meet. The steel industry is also suffering and is yet to get out of the depression. Any increse in coal royalty rates will deepen this crisis.

(iii) The existing coal royalty rate is already affecting the marketability of Indian coal particularly, of the coal despatches from the Coal India Limited (CIL) subsidiaries namely, Eastern Coalfields limited (ECL) Central Coalfields Limited (CCL) and Bhara Coking Coal Limited (BCCL) which are under serious financial distress. ECL has already been referred to Board of industrial & Financial Reconstruction as a Sick Industrial Company on 17.11.99.